

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 536

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Mary Kay Papen

AN ACT

RELATING TO HEALTH INSURANCE; PROVIDING COVERAGE FOR MENTAL
HEALTH BENEFITS NOT COVERED BY INDIVIDUAL HEALTH INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 59A-54-12 NMSA 1978 (being Laws 1987,
Chapter 154, Section 12, as amended by Laws 2005, Chapter 301,
Section 6 and by Laws 2005, Chapter 305, Section 6) is amended
to read:

"59A-54-12. ELIGIBILITY--POLICY PROVISIONS.--

A. Except as provided in Subsection B of this
section, a person is eligible for a pool policy only if on the
effective date of coverage or renewal of coverage the person is
a New Mexico resident, and:

(1) is not eligible as an insured or covered
dependent for any health plan that provides coverage for

underscoring material = new
[bracketed material] = delete

1 comprehensive major medical or comprehensive physician and
2 hospital services;

3 (2) is currently paying a rate for a health
4 plan that is higher than one hundred twenty-five percent of the
5 pool's standard rate;

6 (3) has individual health insurance coverage
7 that does not include coverage for mental health services;

8 [~~(3)~~] (4) has been rejected for coverage for
9 comprehensive major medical or comprehensive physician and
10 hospital services;

11 [~~(4)~~] (5) is only eligible for a health plan
12 with a rider, waiver or restrictive provision for that
13 particular individual based on a specific condition;

14 [~~(5)~~] (6) has a medical condition that is
15 listed on the pool's prequalifying conditions;

16 [~~(6)~~] (7) has as of the date the individual
17 seeks coverage from the pool an aggregate of eighteen or more
18 months of creditable coverage, the most recent of which was
19 under a group health plan, governmental plan or church plan as
20 defined in Subsections P, N and D, respectively, of Section
21 59A-23E-2 NMSA 1978, except, for the purposes of aggregating
22 creditable coverage, a period of creditable coverage shall not
23 be counted with respect to enrollment of an individual for
24 coverage under the pool if, after that period and before the
25 enrollment date, there was a sixty-three-day or longer period

.165167.1

underscored material = new
[bracketed material] = delete

1 during all of which the individual was not covered under any
2 creditable coverage; or

3 [~~(7)~~] (8) is entitled to continuation coverage
4 pursuant to Section 59A-23E-19 NMSA 1978.

5 B. Notwithstanding the provisions of Subsection A
6 of this section:

7 (1) a person's eligibility for a policy issued
8 under the Health Insurance Alliance Act shall not preclude a
9 person from remaining on or purchasing a pool policy; provided
10 that a self-employed person who qualifies for an approved
11 health plan under the Health Insurance Alliance Act by using a
12 dependent as the second employee may choose a pool policy in
13 lieu of the health plan under that act; and

14 (2) if a pool policyholder becomes eligible
15 for any group health plan, the policyholder's pool coverage
16 shall not be involuntarily terminated until any preexisting
17 condition period imposed on the policyholder by the plan has
18 been exhausted.

19 C. Coverage under a pool policy is in excess of and
20 shall not duplicate coverage under any other form of health
21 insurance.

22 D. A policyholder's newborn child or newly adopted
23 child is automatically eligible for thirty-one consecutive
24 calendar days of coverage for an additional premium.

25 E. Except for a person eligible as provided in

.165167.1

underscored material = new
[bracketed material] = delete

1 Paragraph [~~(6)~~] (7) of Subsection A of this section, a pool
2 policy may contain provisions under which coverage is excluded
3 during a six-month period following the effective date of
4 coverage as to a given individual for preexisting conditions.

5 F. The preexisting condition exclusions described
6 in Subsection E of this section shall be waived to the extent
7 to which similar exclusions have been satisfied under any prior
8 health insurance coverage that was involuntarily terminated, if
9 the application for pool coverage is made not later than
10 thirty-one days following the involuntary termination. In that
11 case, coverage in the pool shall be effective from the date on
12 which the prior coverage was terminated. This subsection does
13 not prohibit preexisting conditions coverage in a pool policy
14 that is more favorable to the insured than that specified in
15 this subsection.

16 G. An individual is not eligible for coverage by
17 the pool if:

18 (1) except as provided in Subsection I of
19 this section, the individual is, at the time of application,
20 eligible for medicare or medicaid that would provide coverage
21 for amounts in excess of limited policies such as dread
22 disease, cancer policies or hospital indemnity policies;

23 (2) the individual has voluntarily terminated
24 coverage by the pool within the past twelve months and did not
25 have other continuous coverage during that time, except that

.165167.1

underscored material = new
[bracketed material] = delete

1 this paragraph shall not apply to an applicant who is a
2 federally defined eligible individual;

3 (3) the individual is an inmate of a public
4 institution or is eligible for public programs for which
5 medical care is provided;

6 (4) the individual is eligible for coverage
7 under a group health plan;

8 (5) the individual has health insurance
9 coverage as defined in Subsection R of Section 59A-23E-2 NMSA
10 1978;

11 (6) the most recent coverages within the
12 coverage period described in Paragraph [~~6~~] (7) of Subsection
13 A of this section were terminated as a result of nonpayment of
14 premium or fraud; or

15 (7) the individual has been offered the
16 option of continuation coverage under a federal COBRA
17 continuation provision as defined in Subsection F of Section
18 59A-23E-2 NMSA 1978 or under a similar state program and he has
19 elected the coverage and did not exhaust the continuation
20 coverage under the provision or program, provided, however,
21 that an unemployed former employee who has not exhausted COBRA
22 coverage shall be eligible.

23 H. Any person whose health insurance coverage from
24 a qualified state health policy with similar coverage is
25 terminated because of nonresidency in another state may apply

.165167.1

underscoring material = new
[bracketed material] = delete

1 for coverage under the pool. If the coverage is applied for
2 within thirty-one days after that termination and if premiums
3 are paid for the entire coverage period, the effective date of
4 the coverage shall be the date of termination of the previous
5 coverage.

6 I. The board may issue a pool policy for
7 individuals who:

8 (1) are enrolled in both Part A and Part B of
9 medicare because of a disability; and

10 (2) except for the eligibility for medicare,
11 would otherwise be eligible for coverage pursuant to the
12 criteria of this section."

13 - 6 -
14
15
16
17
18
19
20
21
22
23
24
25